

Message Text

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SUBJECT: EFFECTS OF U.S. DISC PROGRAM ON CANADA

ON OCTOBER 8 FINANCE MINISTER TURNER, IN A REPLY TO OPPOSITION LEADER STANFIELD'S QUESTION, SAID THAT THE U.S. DISC PROGRAM WAS OFFSET IN CANADA BY REVISIONS TO THE TAX STRUCTURE. THE FOLLOWING EXCHANGE TOOK PLACE:

BEGIN QUOTE.

HON. ROBERT L. STANFIELD (LEADER OF THE OPPOSITION): MR. SPEAKER, MY QUESTION IS FOR THE MINISTER OF FINANCE. IN LIGHT OF THE WORSENING UNEMPLOYMENT SITUATION IN CANADA, WHAT IS THE GOVERNMENT'S CURRENT ASSESSMENT ON THE EFFECTS OF THE UNITED STATES DISC PROGRAM ON UNEMPLOYMENT IN CANADA? THE MINISTER WILW RECALL HIS GOVERNMENT HAS BEEN CONDUCTING A SURVEY ON THE EFFECT OF THIS PROGRAM ON CANADA. WHAT IS THE CURRENT ASSESSMENT ON THIS? IS THIS PROGRAM NOW HURTING EMPLOYMENT IN CANADA?

HON. JOHN N. TURNER (MINISTER OF FINANCE): MR. SPEAKER, AS THE HON. LEADER OF THE OPPOSITION REALIZES, ONE OF THE ANTIDOTES WAS THE COMPETITIVE TAX RATES FOR
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MANUFACTURERS AND PROCESSORS AND THE CAPITAL COST

ALLOWANCES. ON THE BASIS OF INFORMATION I HAVE RECEIVED TO DATE, THOSE RESPONSES WITHIN THE CANADIAN TAX SYSTEM HAVE OFFSET WHATEVER RESULTS MIGHT HAVE BEEN ACHIEVED FOR UNITED STATES EXPORTERS UNDER THAT PROGRAM.

HON. ROBERT L. STANFIELD: MR. SPEAKER, THE MINISTER OF FINANCE PROMISED A FURTHER REPORT ON THE EFFECT OF THESE FAST WRITE-OFFS AND TAX CONCESSIONS BE PRESENTED IN THE IMMEDIATE FUTURE OR IN ASSOCIATION WITH THE BUDGET?

HON. JOHN N. TURNER: MR SPEAKER, THE HON. MEMBER WILL RECALL THAT AN INTERIM REPORT WAS PRESENTED TO THE LAST PARLIAMENT. I FOUND IT INAPPROPRIATE TO SEND OUT FURTHER QUESTIONNAIRES FOR THE FINAL REPORT DURING THE ELECTION PERIOD. I WAITED UNTIL THAT PERIOD WAS OVER. FURTHER QUESTIONNAIRES HAVE NOW BEEN SENT OUT TO A WIDE RANGE OF COMPANIES, BOTH LARGE AND SMALL. I HOPE THE RESULTS WILL BE IN A FORM I WILL BE ABLE TO PRESENT TO THE HOUSE IN EITHER JANUARY OR FEBRUARY OF THE NEW YEAR.

HON. ROBERT L. STANFIELD: MR. SPEAKER, I HAVE ONE FINAL SUPPLEMENTARY ARISING OUT OF THE MINISTER STRESSING THE NEED TO AVOID A BEGGAR-THEY-NEIGHBOUR POLICY, PARTICULARLY BETWEEN NEIGHBOURS. DID THE MINISTER SEEK ANY ASSURANCE FROM MR. SIMON, THE SECRETARY OF THE TREASURY, THAT THE GOVERNMENT OF THE UNITED STATES WOULD NOT ADOPT ANY NEW OR EXTENDED DISC-TYPE PROGRAM, AT LEAST WITHOUT CONSULTATION WITH CANADA?

HON. JOHN N. TURNER: THE SECRETARY OF THE TREASURY, MR SIMON, AND I DID DISCUSS TRADE RESTRAINTS, EITHER IN WAY OF HIDDEN EXPORT SUBSIDIES OR OTHERWISE, ON A MULTILATERAL GLOBAL BASIS AND IT IS WITHIN THIS CONTEXT WE SHALL BE INTERESTED IN HEARING THE PRESIDENT'S SPEECH TO CONGRESS AT FOUR O'CLOCK

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THIS AFTERNOON. END QUOTE REPORTER

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